



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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Lake County, Indiana, Sheriff and Portage, Indiana, Mayor Indicted Separately on Public Corruption Charges

U.S. Attorney for the Northern District of Indiana David Capp announced today the return of two public corruption indictments; one naming Lake County Sheriff John Buncich and the other naming Portage Mayor James Snyder.

Buncich, his chief deputy, Timothy Downs, and William Szarmach were named in a multi-count indictment alleging a deprivation of honest services and receipt of illegal money in connection with towing contracts in Lake County.

Buncich is the Lake County Sheriff. Buncich earlier served as sheriff from 1994-2002, and was re-elected in 2010 and again in 2014. Pursuant to a Lake County ordinance, the sheriff has exclusive authority to determine what entity would do any towing as required by the sheriff's department. Downs is the chief in the Lake County Sheriff's Department, the second person in command, having been appointed to that position by Buncich. Szarmach owns and operates CSA Towing, located at 2599 DeKalb Street, Lake Station, Indiana.

The indictment alleges that from February 2014 continuing into October 2016, Buncich, Downs and Szarmach devised a scheme to deprive the citizens of Lake County of their right to the honest services of the sheriff's office. The scheme was designed to enrich Buncich personally and his campaign committee, known as Buncich Boosters. The indictment details a number of checks and cash payments, often collected by Downs, from Szarmach and an Individual A in exchange for Buncich awarding county towing business and towing in the city of Gary for ordinance violations. Individual A is the owner of a tow truck business who voluntarily came forward and cooperated with the United States during the course of this investigation.

Buncich is also charged individually with a violation of the federal bribery statute. Specifically, Buncich is alleged to have corruptly solicited, demanded and received over \$25,000 in cash and \$7000 in checks in exchange for favorable actions by Buncich regarding the towing contracts.

The second indictment names Portage Mayor James Snyder and John Cortina. Snyder was first elected as mayor in 2011 and was re-elected to a second four-year term in 2015. Cortina owns and operates a towing business, Kustom Auto Body, 5409 US Highway 6 in Portage.

Snyder and Cortina are both charged with a violation of the federal bribery statute. Snyder is alleged to have corruptly solicited and received two checks totaling \$12,000 from Cortina and Individual A (same individual above), in exchange for a towing contract in the city of Portage, Indiana. Cortina is charged with corruptly offering those checks to Snyder.

Snyder is also charged with a second violation of the federal bribery statute. That count alleges that between Jan. 1, 2012 and Jan. 10, 2014, Snyder corruptly solicited and agreed to accept a bank check in the amount of \$13,000 in connection with Portage Board of Works contracts, a Portage Redevelopment Commission project and other consideration.

The final charge against Snyder alleges obstruction of the internal revenue laws. This count sets forth an alleged scheme, undertaken by Snyder between January 2010 and April 2013, to obstruct and impede the Internal Revenue Service's (IRS) collection of personal taxes he owed and payroll taxes owed by his mortgage business, First Financial Trust Mortgage LLC. Snyder is alleged to have diverted funds away from FFTM to a sole proprietorship he created and submitted three forms to the IRS which failed to disclose, among other things, the existence of the sole proprietorship and its bank account – all during a time when the IRS was attempting to collect the aforementioned tax debt.

"These investigations are not over," said U.S. Attorney Capp. "Our public corruption team will continue its work, particularly into the towing contracts in both Lake and Porter counties."

Anyone with information related to these public corruption charges is encouraged to call the FBI at 219-769-3719.

The U.S. Attorney's Office emphasized that an indictment is merely an allegation and that all persons charged are presumed innocent until, and unless, proven guilty in court.

If convicted in court, any specific sentence to be imposed will be determined by the judge after a consideration of federal sentencing statutes and the Federal Sentencing Guidelines.

These indictments were the result of an extensive, ongoing investigation conducted by the FBI and IRS, Criminal Investigation Division. Assistance was provided throughout by the Indiana State Police. These indictments will be handled in the U.S. Attorney's Office by Assistant U.S. Attorneys Philip C. Benson, Gary T. Bell and Jill R. Koster.

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